

EXHIBIT I



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May 24, 2016

SUSAN AND MARK SIDEMAN
 1776 NACOGDOCHES RD
 SAN ANTONIO TX 78209-2737
 Delivered by email to:
 SUSAN.SIDEMAN@YAHOO.COM

RE: Insured: Susan and Mark Sideman
 Claim Unit Number: 3006111019-1-1
 Policy Number: 0969121903
 Loss Date: 04/11/2016
 Location of Loss: 1776 Nacogdoches Rd, San Antonio, TX
 Subject: Claim Outcome Letter

Dear Susan and Mark Sideman:

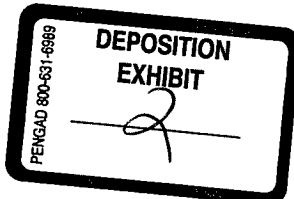
Thank you for choosing us to provide for your insurance needs. We value you as a customer and appreciate the opportunity to be of service. We'll deposit your claim payment to the account you registered while enrolling for direct deposit. Funds are generally available within 48 hours.

The following table of information outlines your claim settlement. This is the settlement figures based on the current exclusion for your roof. If your roof is confirmed to be covered, an additional payment will be issued for those damages.

Line of Coverage	Building	Contents
Replacement Cost	\$4,215.60	\$819.46
Less: Depreciation	\$1,565.80	\$N/A
Actual Cash Value	\$2,649.80	\$N/A
Less: Policy Deductible	\$2,290.00	\$N/A
Settlement Amount	\$359.80	\$819.46
Amount	\$359.80	\$819.46

As we discussed, this payment is for the actual cash value of your claim less your deductible. Actual cash value is based on replacement cost less any applicable depreciation for age, useful life and condition. Labor, taxes and other fees and expenses will also be depreciated if not prohibited by your state. To recover depreciation, please send me a copy of any invoices or receipts that demonstrate replacement or repairs. I'll reimburse you for the amount you incur in repairs or replacement, not to exceed the amount outlined in my estimate or applicable policy limits. As a reminder, your policy includes a time limit of 365 days from May 24, 2016 to complete repairs or to replace the item and submit receipts for recovery of the depreciation.

YCWSAH08



PL 0071

We are sending payment for the current contents estimated replacement cost. To help you expedite repairs, I did not deduct depreciation from the replacement cost because the estimated replacement cost is less than \$2,500. If there is additional damage that causes the replacement cost to exceed \$2,500, we may deduct depreciation as your policy describes. The depreciation would be applied based on the total replacement cost.

I've enclosed a detailed estimate for the scope of the covered damage and repair costs. You may choose any repair company you wish to complete repairs. If the repair company you choose will charge more than my estimated amount, please contact me before work begins. I'll review your repairer's recommendations and help reach an agreement.

As we discussed on May 16, 2016, you currently have an exclusion for marring to your metal roof. Unfortunately, there is no coverage for this portion of your claim based on the facts known to us at the present time. This exclusion is being investigated by our coverage department at this time. You will be informed as soon as a coverage decision is determined.

You may wish to review these provisions of your Next Generation Homeowners Policy Texas, 1st Ed, as endorsed. They form the basis for our decision:

DEFINITIONS

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19. **Marring** - means any disfigurement, blemish, discoloration weathering or stretching, or the like, of or to covered property, including by way of example but not limited to scratching, scorching, denting, creasing, gouging, fading, staining, tearing or thinning.

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SECTION I - PROPERTY COVERAGE

SECTION I - LOSS OR DAMAGE INSURED

Coverage A (Dwelling), Coverage B (Separate Structures) and Coverage C (Personal Property)

We insure accidental direct physical loss or damage to that property described in Section I - Types of Property Insured. Loss or damage means theft of or distinct and demonstrable, actual physical injury to or destruction of the property. Loss or damage does not include functional impairment or the loss of use of property unless the property has been stolen or has sustained distinct and demonstrable, actual physical injury or destruction. Loss or damage does not include any decrease in the market value of the property, any reduction in serviceability of property or any sentimental value, however measured or determined.

Loss or damage to property consists of certain types of loss or damage. This policy does not insure covered property for the types of loss or damage described in Section I - Uninsured Loss or Damage and Excluded Causes of Loss or Damage.

Loss or damage to property is caused by perils (causes of loss or damage). This policy does not insure loss or damage to covered property directly or indirectly caused by, arising out of or resulting from the Excluded Causes of Loss or Damage set forth in Section I - Uninsured Types of Loss or Damage and Excluded Causes of Loss or

Damage, whether the excluded cause of loss or damage occurs on or away from the residence premises.

We do not provide Loss of Use or any Extensions of Coverage for any uninsured type of loss or damage or any excluded cause of loss or damage, unless specifically provided otherwise.

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SECTION I - UNINSURED LOSS OR DAMAGE AND EXCLUDED CAUSES OF LOSS OR DAMAGE

A. Uninsured Types of Loss or Damage.

We do not insure property covered under this policy, provide Loss of Use coverage or extend coverage under any Extensions of Coverage, for any loss or damage consisting or composed of any of the uninsured types of loss or damage listed below, whether on or off the residence premises, however caused, whether the loss or damage is, or is the result of, a natural or man-made activity, condition or event, except as may be stated otherwise.

Uninsured types of loss or damage are never covered regardless of whether any acts, omissions or decisions of any persons, group, organization, association or governmental body or any other cause of loss or event contributes concurrently or in any combination or sequence to cause the uninsured type of loss or damage, except as may be stated otherwise.

Uninsured types of loss or damage can occur in combination with insured loss or damage. If any uninsured type of loss or damage does occur in combination with or in sequence to insured loss or damage, the uninsured type of loss or damage is not covered. If a loss event involves both insured types of loss or damage and uninsured types of loss or damage, the insured types of loss or damage will be covered and the uninsured types of loss or damage will not be covered.

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7. Wear and Tear, Deterioration or Mechanical Breakdown.

We do not insure loss or damage which is wear and tear, deterioration or mechanical breakdown, unless if by fire or lightning.

8. Marring.

We do not insure loss or damage which is marring of covered property except as provided in item 14.

9. Corrosion, Deterioration, Decay or Rust.

We do not insure loss or damage consisting of, composed of or which is corrosion, deterioration, decay or rust, unless if by fire or lightning. This includes by way of example, but is not limited to any decomposition, breakdown and/or decay of manmade or natural material or matter by any agent.

14. Exceptions to Uninsured Types of Damage.

However, we do insure:

6. Breakage, Impairment, Corruption or Failure of Covered Personal Property;

8. Marring; and

12. Movement, Settling, Cracking, Bulging, Shrinking, Heaving or Expanding;

which is directly caused by the following causes of loss, subject to the terms, conditions and limitations set forth in subsection B. Excluded Causes of Loss or Damage for any such cause of loss:

- a. fire or lightning;
- b. windstorm, hailstorm or tropical cyclone;
- c. smog, smudging or smoke (all only if sudden and accidental);
- d. explosion resulting from combustion (other than nuclear explosion);
- e. riot or civil commotion;
- f. aircraft or vehicles;
- g. vandalism or malicious mischief;
- h. theft or attempted theft;
- i. falling objects;
- j. fall of trees or limbs, including felling, topping or trimming of trees;
- k. weight of ice, snow or sleet which causes damage to personal property contained in a building; or
- l. artificially generated electric current;

and we do insure:

6. Breakage, Impairment, Corruption or Failure of Covered Personal Property; and
8. Marring

which is directly caused by the following subsection B. Excluded Cause of Loss or Damage or by the following Extensions of Coverage, subject to the terms, conditions and limitations set forth for the cause of loss or the Extensions of Coverage: vandalism or malicious mischief; Limited Water Coverage and Collapse of a Building Structure or Structural Part of the Building Structure.

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B. Excluded Causes of Loss or Damage.

Except as expressly provided elsewhere in this policy, we do not insure property covered under this policy, provide Loss of Use coverage or extend coverage under any Extensions of Coverage for loss or damage directly or indirectly caused by, arising out of, or resulting from any of the Excluded Causes of Loss or Damage listed below, whether occurring on or away from the residence premises. Acts or omissions of persons or other causes or other events can cause, contribute to, combine with or aggravate any of the Excluded Causes of Loss or Damage to cause loss or damage. Loss or damage is not covered regardless of any acts, omissions or decisions of any persons, group, organization, association or governmental body or any other causes or other events which aggravate or contribute concurrently or in any combination or sequence with the excluded cause of loss or damage.

Excluded Causes of Loss or Damage are excluded whether they are, or are the result of, natural or man-made activities, conditions or events.

Excluded Causes of Loss or Damage apply to exclude the loss or damage arising from or as a result of the excluded activity, condition or event, whether the loss or damage is direct or indirect or immediate or consequential.

However, we do insure direct physical loss or damage by fire, smoke or explosion resulting from combustion, when the fire, smoke or explosion resulting from combustion results from an excluded cause of loss or damage, except when the fire, smoke or explosion resulting from combustion results from Governmental Action, Destructive Acts, Nuclear Hazard, Meteorites or Vandalism or Malicious Mischief or Arson if the dwelling is vacant. We do insure loss or damage consisting of or composed of water from a covered fire.

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4. Neglect or Lack of Maintenance or Failure to Make Repairs.
5. Faulty, Inadequate, Defective or Incomplete Planning, Zoning, Maintenance, Repairs, Renovation, Manufacture or Construction.

We do not insure loss or damage directly or indirectly caused by, arising out of or resulting from, or any costs of fixing or making good, any faulty, inadequate, defective or incomplete planning, zoning, development, surveying, siting, engineering, design, specifications, workmanship, maintenance, servicing, renovation, repairs, manufacture, construction, grading, compaction, or materials that is for, is used in or is part of a method or process involving any type of personal property owned or used by an insured or any type of real property (including land or any improvements) whether or not the real property is owned or used by an insured.

This exclusion applies:

- a. whether the activity is by an insured or by any person, group, organization, association or governmental body;
- b. whether or not an insured knew of or approved the activity;
- c. whether the property is on or off the residence premises;
- d. whether the property is insured under this policy;
- e. whether the activity involves a flawed quality inherent in the property itself or involves a flawed process, method or procedure in producing property or which affects property;
- f. whether the activity being performed on one item of property which damages another item of the same or different property in the process; or
- g. whether the activity damages one aspect or part of property and another aspect or part of the same or different property becomes flawed as a result.

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8. Wear and Tear, Deterioration or Mechanical Breakdown.

However, see Extensions of Coverage, Limited Water Coverage for limited coverage for water damage.

9. Corrosion, Deterioration, Decay or Rust.

However, see Extensions of Coverage, Limited Water Coverage for limited coverage for water damage.

We refer you to the following language in your TX184 1st Ed Exclusion of Marring of Metal Roof Materials endorsement:

It is agreed that the policy is amended as follows:

I. DEFINITIONS

For purposes of this endorsement only:

Metal roof materials means and includes:

1. all metal roofing materials which are exposed to the weather, including those which extend above the surface of the roof, including by example but not limited to, all metal roof surfacings and vents, vent caps, turbines and piping;
2. the underlayments applied for moisture protection, whether metal or non-metal, for a metal roof; and
3. all flashings required in the replacement of any metal roof materials.

II. SECTION I - UNINSURED LOSS OR DAMAGE AND EXCLUDED CAUSES OF LOSS OR DAMAGE, A. Uninsured Types of Loss or Damage is amended as follows:

Item 14. Exceptions to Uninsured types of damage is deleted in its entirety and is replaced with the following:

14. Exceptions to Uninsured types of damage.

However, we do insure:

6. Breakage, Impairment, Corruption or Failure of Covered Personal Property;
8. Marring; and

12. Movement, Settling, Cracking, Bulging, Shrinking, Heaving, Bending or Expanding; which is directly caused by the following causes of loss, subject to the terms, conditions and limitations set forth in subsection B. Excluded Causes of Loss or Damage for any such cause of loss:

- a. fire or lightning;
 - b. windstorm;
 - c. hail, except marring of metal roof materials, other than where hail causes a distinct and demonstrable actual hole or opening in the metal roof materials, or that results in the failure of the metal roof materials to perform its intended function;
 - d. smog, smudging or smoke (all only if sudden and accidental);
 - e. explosion resulting from combustion (other than nuclear explosion);
 - f. riot or civil commotion;
 - g. aircraft or vehicles;
 - h. theft;
 - i. falling objects;
 - j. fall of trees or limbs, including felling, topping or trimming of trees;
 - k. weight of ice, snow or sleet which causes damage to personal property contained in a building;
- or
- l. artificially generated electric current; and we do insure:
 6. Breakage, Impairment, Corruption or Failure of Covered Personal Property; and
 8. Marring; which is directly caused by the following subsection B.

Excluded Causes of Loss or Damage or by the following Extensions of Coverage, subject to the terms, conditions and limitations set forth for the cause of loss or the Extensions of Coverage: vandalism or

malicious mischief; Limited Water Coverage; and Collapse of a Building Structure or Structural Part of the Building Structure. Any exception to uninsured damage will not apply if it occurs in combination or in sequence with any existing or other uninsured type of damage. This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms and conditions of the policy.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms and conditions of the policy.

We also wish to bring to your attention the following limitation period set forth in the Conditions section of your policy. This period is the shortest period which will apply, unless that period may have been extended by statute.

SECTION I - PROPERTY CONDITIONS

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13. Suit Against Us.

No suit or other action can be brought against us, our agents or our representatives unless there has been full compliance with all the terms of this policy, including submission to requested examinations under oath. Action brought against us, our agents or our representatives must be started within two years and one day after the cause of action accrues.

By writing of this letter, we do not waive any of the terms or conditions of your insurance policy, or any rights we may have, all of which are expressly retained and reserved. Any activity on our part should not be construed as a waiver. We understand your rights are retained as well. Even though only parts of your policy are mentioned or quoted in this letter, additional portions, if found to be relevant, will be applied.

We encourage you to visit www.hpcs.com to learn more about our self-service options available to you; including the ability to view your claim status, upload documents and photos and find local service providers.

If you have any questions, or additional information you think may affect your coverage, please contact us at (800) 435-7764.

Thank you.

Sincerely,
Texas Farmers Insurance Company



Sarah Perry
Field Claims Representative
sarah.perry@farmersinsurance.com
(843) 614-7001

Enclosure(s):
Estimate -

Gen Supporting Documents -
Personal Property -